UNITED STATES DEPARTMENT OF COMMERCE
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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.
08/581,992	01/02/96	PELLEGRINO	F

LM02/0316

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EXAMINER	
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ART UNIT	**PAPER NUMBER**
2765	9

DATE MAILED: 03/16/99

Please find below and/or attached an Office communication concerning this application or proceeding.

Commissioner of Patents and Trad marks

Office Action Summary

Application No.	Applicant(s)
08/581,992	Pellegrino et al.
Examiner	**Group Art Unit**
Hani Kazimi	2765

☒ Responsive to communication(s) filed on *Dec 21, 1998*.

☒ This action is **FINAL**.

☐ Since this application is in condition for allowance except for formal matters, **prosecution as to the merits is closed** in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11; 453 O.G. 213.

A shortened statutory period for response to this action is set to expire *3* month(s), or thirty days, whichever is longer, from the mailing date of this communication. Failure to respond within the period for response will cause the application to become abandoned. (35 U.S.C. § 133). Extensions of time may be obtained under the provisions of 37 CFR 1.136(a).

Disposition of Claims

☒ Claim(s) *1-19* is/are pending in the application.

Of the above, claim(s) _____ is/are withdrawn from consideration.

☐ Claim(s) _____ is/are allowed.

☒ Claim(s) *1-19* is/are rejected.

☐ Claim(s) _____ is/are objected to.

☐ Claims _____ are subject to restriction or election requirement.

Application Papers

☐ See the attached Notice of Draftsperson's Patent Drawing Review, PTO-948.

☐ The drawing(s) filed on _____ is/are objected to by the Examiner.

☐ The proposed drawing correction, filed on _____ is ☐approved ☐disapproved.

☐ The specification is objected to by the Examiner.

☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. § 119

☐ Acknowledgement is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d).

☐ All ☐ Some* ☐ None of the CERTIFIED copies of the priority documents have been

☐ received.

☐ received in Application No. (Series Code/Serial Number) _____.

☐ received in this national stage application from the International Bureau (PCT Rule 17.2(a)).

*Certified copies not received: _____.

☐ Acknowledgement is made of a claim for domestic priority under 35 U.S.C. § 119(e).

Attachment(s)

☐ Notice of References Cited, PTO-892

☐ Information Disclosure Statement(s), PTO-1449, Paper No(s). _____

☐ Interview Summary, PTO-413

☐ Notice of Draftsperson's Patent Drawing Review, PTO-948

☐ Notice of Informal Patent Application, PTO-152

--- SEE OFFICE ACTION ON THE FOLLOWING PAGES ---

DETAILED ACTION

1. This communication is responsive to the amendment filed on December 21, 1998.

Status of Claims

2. Of the original claims 1-18, and the added claim 19, claims 1, and 11 have been amended by applicants' amendment filed on December 21, 1998. Therefore, claims 1-19, are under prosecution in this application.

Summary of this Office Action

3. Applicants' arguments filed on December 21, 1998 have been fully considered, and discussed in the next section below or within the following rejection under 35 U.S.C. § 103, are not deemed to be persuasive. Therefore, claims 1-19 remain rejected under 35 U.S.C. § 103 as being unpatentable over the prior art previously cited.

Response to Applicants' Amendment

4. The Examiner acknowledges Applicant's amended specification in compliance with 37 C.F.R. § 1.77 regarding the required elements of the application. In particular, the addition of related co-pending application No. 08/546,120, filed on 10/20/95, and therefore withdraws the prior office action's objection regarding this matter.

5. The Examiner acknowledges Applicant's cancellation of claims 1-23 and the addition of claims 24-33 in the related co-pending application 08/546,120, and acknowledges that a double-patenting rejection is not applicable to the new added claims, and therefore withdraws the double-patenting rejection of the prior office action.

Claim Rejections - 35 USC § 101

6. 35 U.S.C. § 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

7. Claims 1-19, are rejected under 35 U.S.C. § 101 because the claimed invention is directed to a non-statutory subject matter. Specifically the claims are directed towards an abstract idea. Claims 1-19 represent an abstract idea that does not provide a practical application in the technological arts. There is no manipulation of data nor is there any transformation of data from one state to another being performed in "Method for determining the risk associated with licensing or enforcing intellectual property". Actually, there is no post-computer process activity found. "Method for determining the risk associated with licensing or enforcing intellectual property" is not a physical transformation. Thus, no physical transformation is performed, and no practical application is found. Such an inputting and arithmetic manipulation of data is insufficient practical application to qualify the invention as disclosed and claimed to patent protection. *In re Alappat, 31 U.S.P.Q. 2d @ 1556-57* (not until the concept is reduced to some type of practical

application, the subject matter is not entitled to patent protection). Also the claims do not appear to correspond to a specific machine or manufacture disclosed with in the specification and thus encompass any product of the class configured in any manner to perform the underlying process. Consequently, the claims are analyzed based upon the underlying process and thus rejected as being directed to a non-statutory process.

Claim Rejections - 35 USC § 103

8. The following is a quotation of 35 U.S.C. § 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

9. The factual inquiries set forth in *Graham v. John Deere Co.*, 148 USPQ 459, that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or unobviousness.

10. Claims 1-7, and 11-19, are rejected under 35 U.S.C. § 103(a) as being unpatentable over DeTore et al. U.S. Patent No. 4,975,840 in view of Harbert T, "Patent enforcement policy Aids Technology transfer.

Claims 1, and 19, DeTore discloses a process for evaluating the strength of a specific intellectual property comprising the steps of:

interacting with a computer (column 3, lines 63-65);

entering data from one or more sources including from a completed set of pre-selected tasks into said computer, said computer having been pre-programmed such that said data is organized by one or more predetermined risk factors grouped into categories (column 3, line 63 thru column 4, line 40; and column 5, lines 19-65);

evaluating the data by comparing each risk factor and each category to a preset standard; (column 4, lines 36-53; and column 5, lines 19-39); and

computing a score by transforming said data into a composite score which represents a relative degree of strength (column 5, lines 57 thru column 6, lines 2).

DeTore fails to teach the claimed step of commercializing said intellectual property.

However Harbert teaches the claimed step for commercializing said intellectual property (page 1, lines 13-38).

Both DeTore and Harbert fail to teach the step of entering data from a questionnaire completed by the owner of the intellectual property.

Official notice is taken that entering data from a questionnaire completed by an owner is

old and well known in the art.

Therefore, it would have been obvious to one of ordinary skilled in the art at the time the applicant's invention was made to modify the teachings of DeTore to include the steps of entering data from a questionnaire completed by the owner of the intellectual property, and commercializing an intellectual property, because it provides a more efficient analysis in determining the strength of a specific intellectual property, and the risk associated in commercializing an intellectual property which offers protection, and prevents lawsuits.

Claim 2, DeTore teaches the process of entering the data into the computer via telephone from a location other than the location having the computer (column 4, lines 1-4).

Claim 3, DeTore teaches the predetermined risk factors are grouped into categories selected from a plurality of categories such as product data, manufacturing data, patent subject (column 4, lines 24-35).

DeTore fails to teach the specifically cited categories in the instant claim.

However, the examiner asserts that the particular categories recited in the claim is merely a design choice, these categories are well known in the environment of intellectual property.

Claims 4, 14, and 18, DeTore teaches the transforming of data is achieved by calculating a category score for each category using at least one risk factor (column 1, line 66 thru column 2, line 44).

Claims 5, and 15, DeTore teaches the category score is weighted and combined with other category scores and used to modify a primary risk indicia to calculate said composite score (column 15, lines 60-65; and column 5, line 57 thru column 6, line 2).

Claims 6, and 16, DeTore teaches the composite score is modified by a moral hazard factor to calculate a probable success factor (column 15, line 65 thru column 16, line 12).

Claims 7, and 17, DeTore teaches the probable success factor is multiplied in a post computer step by projected recoveries to determine the net recovery from commercializing the intellectual property (column 15, line 65 thru column 16, line 12).

Claims 11-13, DeTore teaches a process for determining the probable success of a specific intellectual property comprising the steps of:

interacting with a pre-programmed computer (column 3, lines 63-65);

entering data from one or more sources including from a completed set of pre-selected tasks into said computer, said computer having been pre-programmed such that said data is organized by predetermined categories (column 3, line 63 thru column 4, line 40; and column 5, lines 19-65);

evaluating the data by comparing each category to a preset standard; (column 4, lines 36-53; and column 5, lines 19-39); and

transforming said data into a composite score which represents a relative degree of

strength (column 5, lines 57 thru column 6, lines 2).

Using the composite score to determine a probable success factor (column 15, line 65 thru column 16, line 12).

DeTore fails to teach the claimed step of associating intellectual property with a lawsuit.

However Harbert teaches the claimed step of associating intellectual property with a lawsuit (page 1, lines 16-29).

Both DeTore and Harbert fail to teach the step of entering data from a questionnaire completed by the owner of the intellectual property.

Official notice is taken that entering data from a questionnaire completed by an owner is old and well known in the art.

Therefore, it would have been obvious to one of ordinary skilled in the art at the time the applicant's invention was made to modify the teachings of DeTore to include the steps of entering data from a questionnaire completed by the owner of the intellectual property, and commercializing an intellectual property, because it provides a more efficient analysis in determining the strength of a specific intellectual property, and the risk associated in commercializing an intellectual property which offers protection, and prevents lawsuits.

11. Claims 8-10, are rejected under 35 U.S.C. § 103(a) as being unpatentable over DeTore et al. U.S. Patent No. 4,975,840 in view of Harbert T, "Patent enforcement policy Aids Technology transfer, and further in view of Robinson W.J. "Insurance coverage of intellectual property lawsuits in the computer industry".

Claims 8-10, Harbert teaches that the intellectual property to be commercialized is a patent (page 1, lines 21-29).

Both DeTore and Harbert fail to teach that the intellectual property to be commercialized is a copyright, or a trademark.

However, Robinson teaches the intellectual property is a copyright, or a trademark (page 22, column 2).

Therefore, it would have been obvious to one of ordinary skilled in the art at the time the applicant's invention was made to modify the teachings of DeTore to include that the intellectual property is a copyright, or a trademark as taught in Robinson to expand the concept of intellectual properties.

Response to Arguments

12. In the remarks, the Applicant traverses the 35 U.S. C. § 101 non-statutory rejection based upon *State Street Bank & Trust Co. V. Signature Finantional group, Inc.,* decided by the U.S. courts of appeals.

In response, the examiner asserts that the applicant respectfully fails to over come the 35 U.S. C. § 101 non-statutory rejection. The independent claims show insufficient practical application. Specifically, the results (scores) have to correspond to some physical activity external to the system. An additional step or two in the independent claims expressing the physical use of the resulting score, and how is it used in representing a relative degree of strength associated with commercializing intellectual properties should be sufficient to over come the 35 U.S. C. § 101

non-statutory rejection.

It is fundamental patent law that an idea, without means to implement it, is not eligible for patent protection. *Loew's Drive-In Theatres, Inc., 81 U.S. P. Q. at 153.* Similarly, simple manipulation of the idea, such as adding and multiplying risk scores and weights, is insufficient to qualify as statutory subject matter. *In re Warmerdam, 31 U. S.P. Q. 2d at 17 59* (noting that mere manipulation of data or ideas is not statutory subject matter). A manipulation of risk scores, without the means to effect the actual determination of relative degree of strength associated with commercializing intellectual properties, is not of itself patentable. *State Street Bank and Trust Co. v. Signature Financial Group, Inc., 38 U. S.P.Q.2d 1531, 1535 (D. Mass 1996) (citing Rubber-Tip Pencil Co. v. Howard, 87 U. S. (20 Wall.) 498, 507 (187 4)).*

A process, to be patentable subject matter under 35 US. C. § 101, must consist of "an act, or a series of acts, performed upon the subject matter to be transformed and reduced to a different state or thing. " *Cochrane v. Deener, 94 US. 780, 787-88 (1877)* ". Here, no such transformation is disclosed in the specification. All that Applicant has disclosed is inputting preselected risk factors and corresponding scores, adding them, weighting them, and summarily producing a composite score. No data is developed by the system that correspond to physical objects or activities external to the system. *In re Schrader, 30 U.S.P.Q.2d 1455,1459 (1994).* The Examiner asserts that the invention discloses no practical application of the input subject matter--data representing intellectual property risks is merely being added and multiplied--nothing has been created, deleted, or transformed. Such an inputting and arithmetic manipulation or risk data is insufficient practical application to qualify the 'invention as disclosed and claimed to patent

protection. *In re Alappat, 31 U.S.P.Q.2d at 1556-57* (noting that until the concept is reduced to some type of practical application, the subject matter is not entitled to patent protection).

13. In the remarks, the applicant argues in substance that the DeTore does not appear to disclose;

a) commercializing intellectual properties.

b) a process for determining the probable success of a lawsuit.

c) a process to calculate a composite score representing the degree of strength of an intellectual property.

The Applicant argues in substance that the Robinson does not appear to disclose;

d) the remedy of the defects and shortcomings of DeTore.

Also, the Applicant argues in substance that the Harbert does not appear to disclose;

e) anything to anticipate or make Applicant's invention obvious.

In response to a);

DeTore fails to teach the concept of commercializing intellectual properties. However, Harbert teaches the claimed step for commercializing an intellectual property (page 1, lines 13-38). Also, the response to this argument is mentioned above in the rejection to claim 1 in section 10 of this office action.

In response to b);

DeTore fails to teach a process for determining the probable success of a lawsuit. DeTore

uses the calculated score to determine a probable success factor (column 15, line 60 thru column 16, line 12) However, Harbert teaches the claimed step of associating intellectual property with a lawsuit (page 1, lines 16-29). Also, the response to this argument is mentioned above in the rejection to claim 11 in section 10 of this office action.

In response to c);

DeTore fails to teach a process to calculate a composite score representing the degree of strength of an intellectual property. In stead, DeTore teaches a process to calculate a score representing an overall risk assessment for a particular case (column 15, line 60 thru column 16, line 12). The Applicant admits in the remarks that "the concepts of comparison and weighting of items is common to both inventions". It is obvious to one of ordinary skilled in the art to use the system of DeTore which calculates a score representing an overall risk assessment for a particular case to calculate a score representing the degree of strength of an intellectual property.

In response to d);

Robinson reference is only introduced to show that an intellectual property could be a copyright, or a trademark (page 22, column 2). DeTore fails to teach that the intellectual property to be commercialized is a copyright, or a trademark. Since Harbert teaches the claimed step for commercializing an intellectual property (page 1, lines 13-38), then the combination of DeTore, Harbert, and Robinson is a system that can be used in analyzing the risk associated with commercializing an intellectual property.

In response to e);

Harbert teaches commercializing an intellectual property (page 1, lines 13-38), and associating intellectual property with a lawsuit (page 1, lines 16-29). Harbert clearly shows that "management was afraid that licensing the company's patents could lead to increased completion and patent infringement lawsuits".

Conclusion

14. THIS ACTION IS MADE FINAL. Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

15. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Hani Kazimi whose telephone number is (703) 305-1061. The examiner can normally be reached Monday-Friday from 8:30 AM to 5:00 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Allen MacDonald, can be reached at (703) 305-9708.

The fax number for Formal or Official faxes to Technology Center 2700 is (703) 308-9051 or 9052. Draft or Informal faxes for this Art Unit can be submitted to (703) 308-5357.

Any inquiry of a general nature or relating to the status of this application should be directed to the Group receptionist whose telephone number is (703) 305-3900.

Hani.Kazimi

March 12, 1999

ALLEN R. MACDONALD
SUPERVISORY PATENT EXAMINER